Trump Immigration Policy: Using the REMI MRUS Model
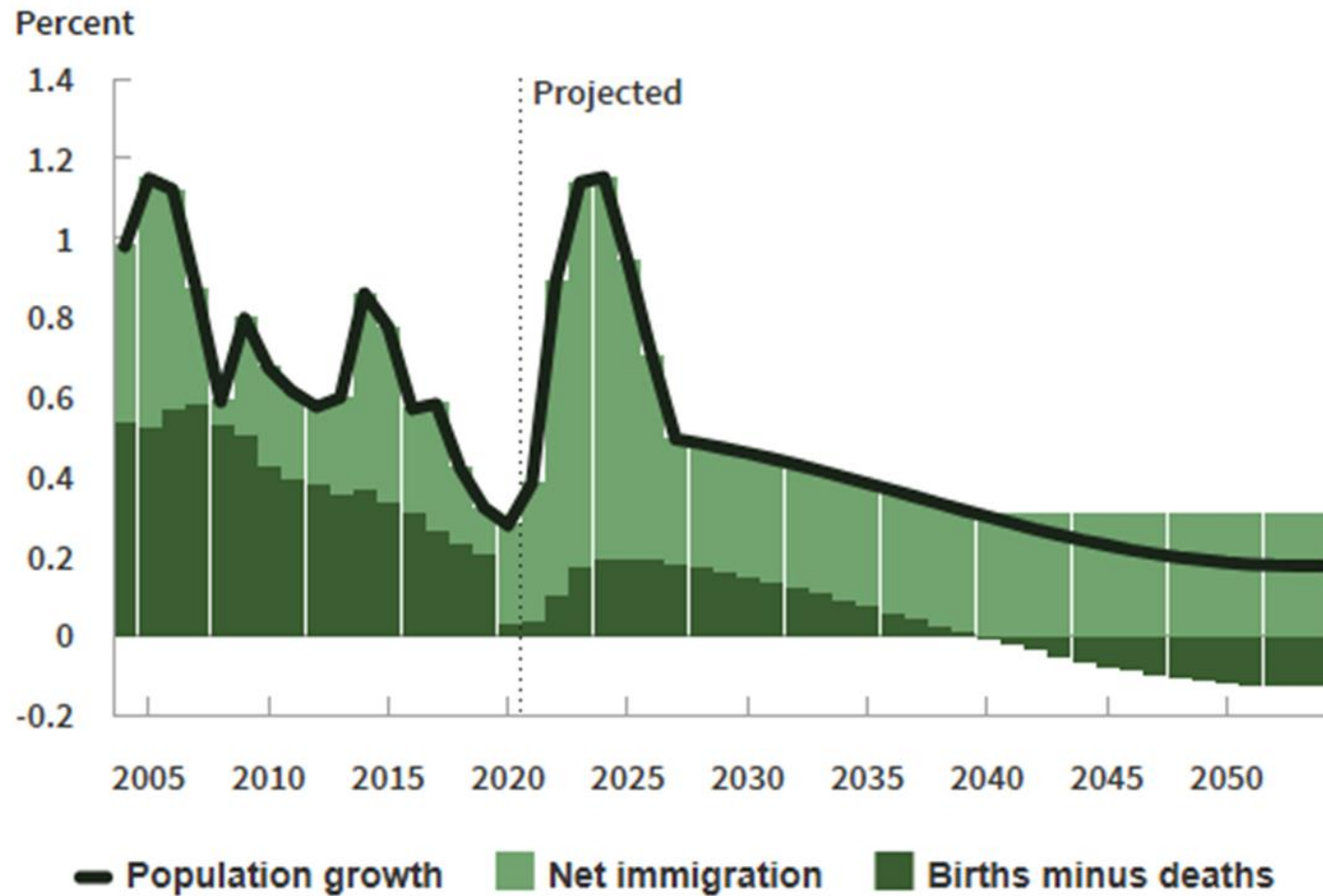
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what does REMI say?™

Immigration Forecast: CBO

Demographic Factors That Contribute to Population Growth

Source: https://www.cbo.gov/publication/59697

Immigration Unknowns

- Change in policy is uncertain

- Trump threatens deportation of all undocumented (about 3% of population or over 10 million people)
  - Thought to be hyperbole; legal and resource barriers

- Enforcement likely to increase

- H-1B visas may increase

H-1B Program

- "Allows employers to hire nonimmigrant aliens as workers in specialty occupations"

- The objective is to bridge skill/ability gaps in the domestic workforce

- The annual cap for H-1B visas is currently 65,000
  - Some exceptions exist, including Master's degree exemptions and some employers
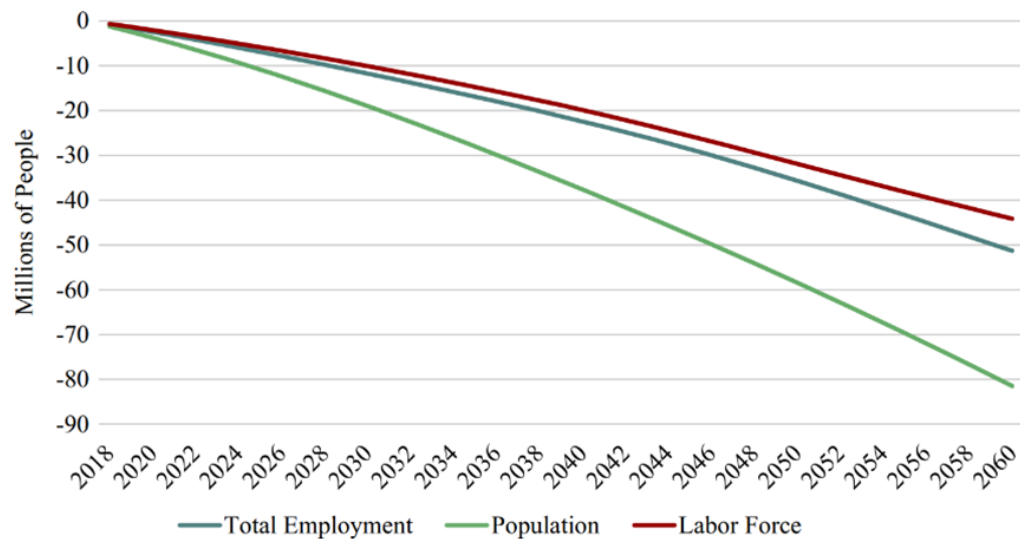
- Trump has promised to expand the H-1B program

https://www.uscis.gov/working-in-the-united-states/temporary-workers/h-1b-specialty-occupations/h-1b-cap-season#:~:text=Congress%20set%20the%20current%20annual,subject%20to%20this%20annual%20cap.

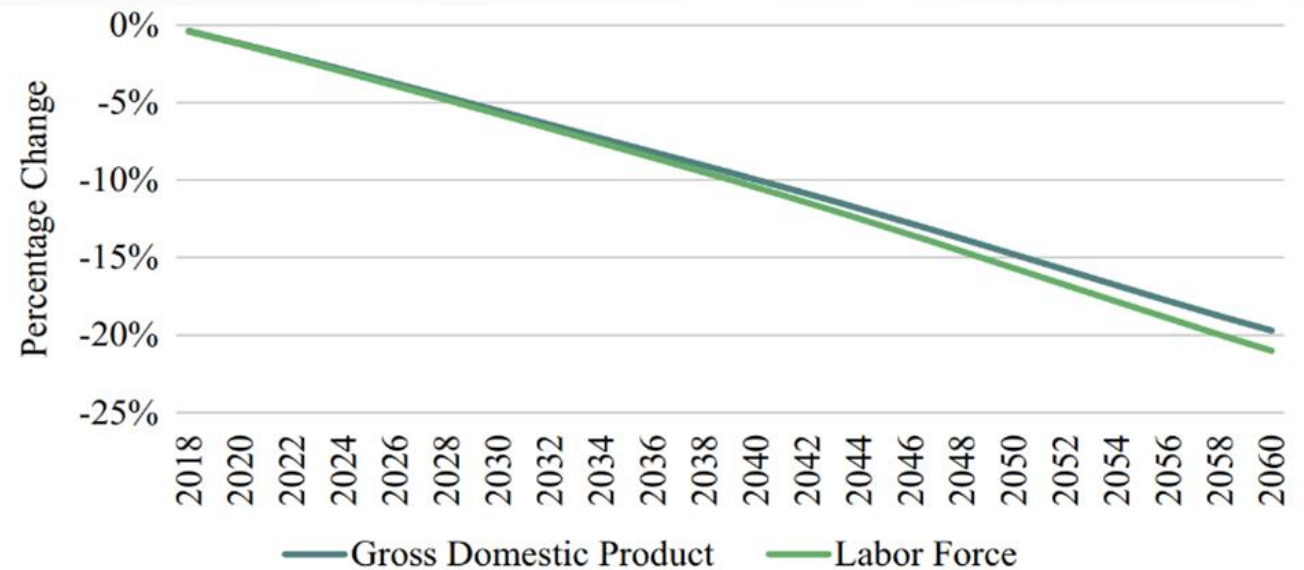https://www.dol.gov/agencies/whd/immigration/h1b

Zero Immigration REMI Analysis

From a 2018 paper in the NABE publication "Business Economics" titled, "Immigration and United States Economic Growth"

Fig. 6 Employment, labor force, population: difference from baseline

Fig. 9 GDP, labor force: % change from baseline

Treyz, F., Evangelakis, P. Immigration and United States Economic Growth. *Bus Econ* **53**, 134–140 (2018). https://doi.org/10.1057/s11369-018-0084-2
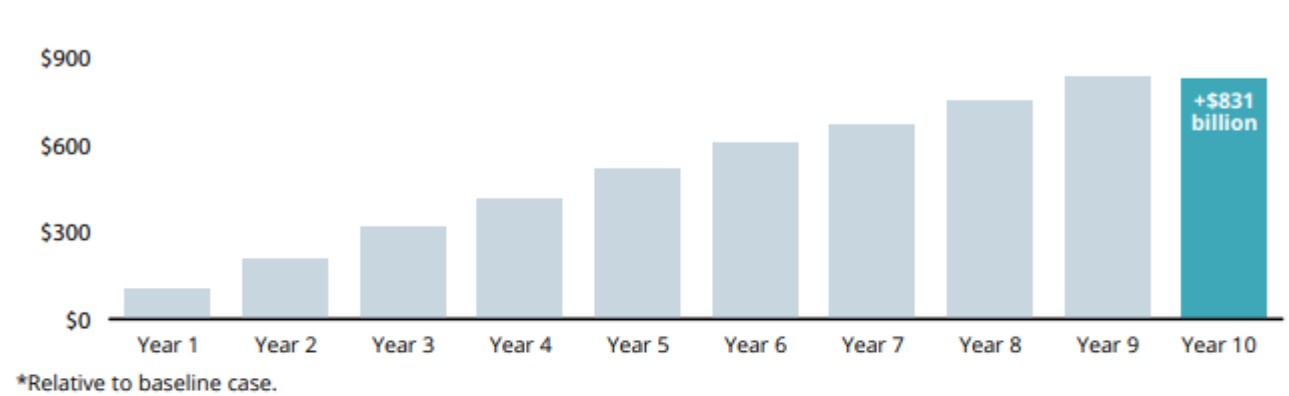
what does REMI say? ^{sm}
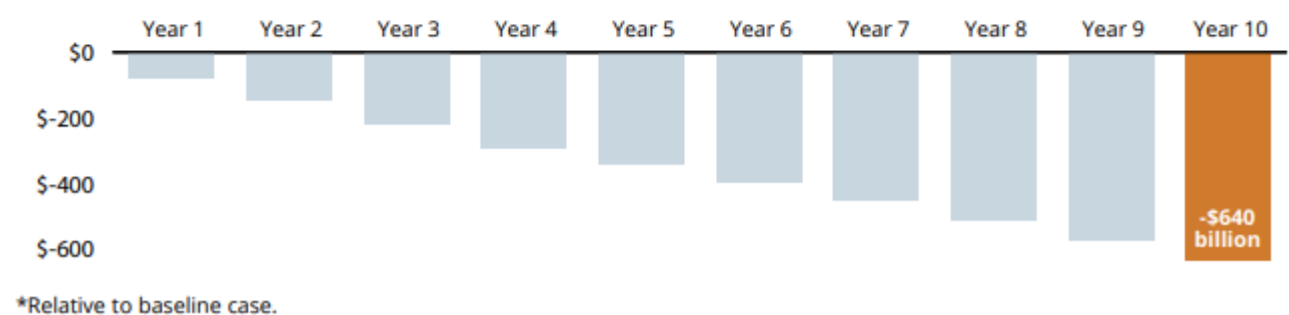
Immigration Reform vs. Enforcement

Scenario 1:
BALANCED REFORM

Improved Border Security and Enforcement

Temporary High-Skilled Workers (H-1B Reform)

Green Card Reform

Temporary Agricultural Workers (H-2A Reform)

Temporary Nonagricultural Lesser-Skilled Workers (H-2C Creation)

Pathway to Legal Status

Scenario 2:
ENFORCEMENT ONLY

Aggressive Border Security and Enforcement

Deportation and Voluntary Departure

Figure 2: Projected Increase in GDP from 2018 to 2027 under Balanced Reform Scenario*
Billions USD Gained

+$831 billion

*Relative to baseline case.

Figure 3: Projected Decline in GDP from 2018 to 2027 under Enforcement Only Scenario*
Billions USD Lost

-$640 billion

*Relative to baseline case.

what does REMI say?^{sm} From "Economic Effects of Immigration Policies" published in the Business Roundtable, 2017

Immigration Reform Vs. Enforcement

Figure 4: 10-Year GDP Gains under Balanced Reform Scenario*

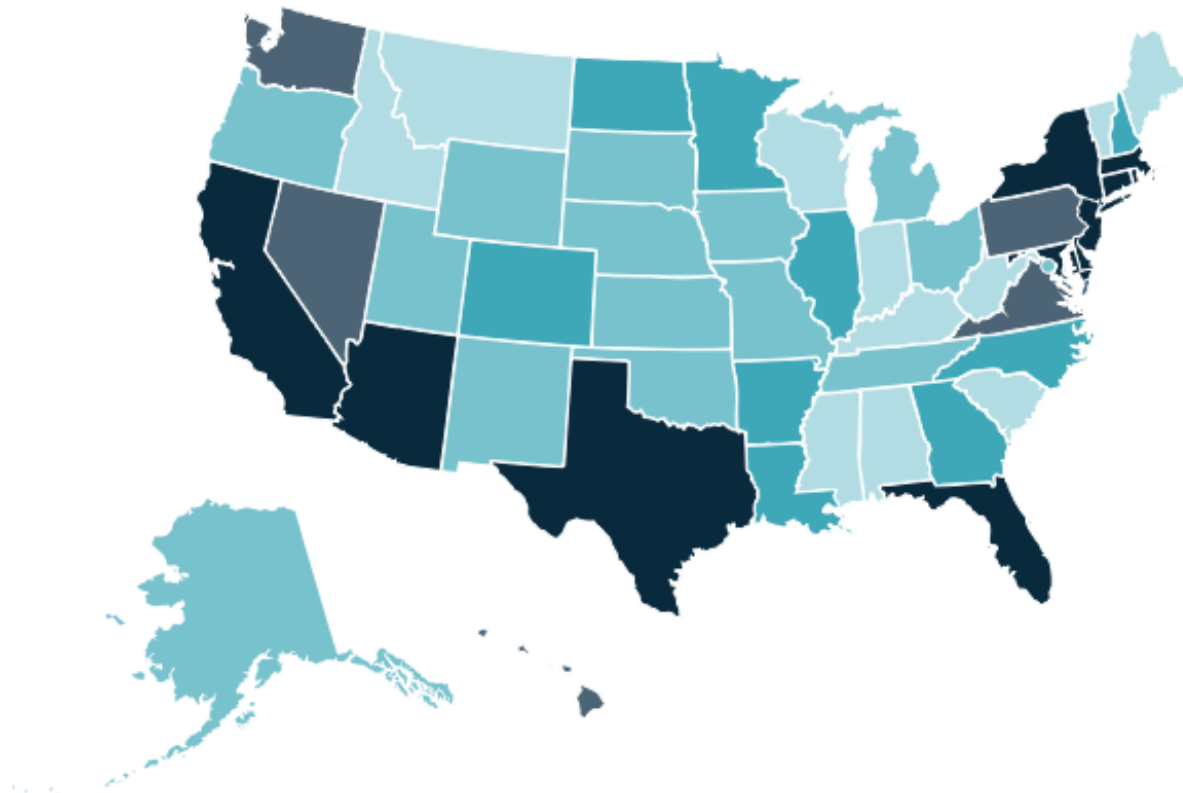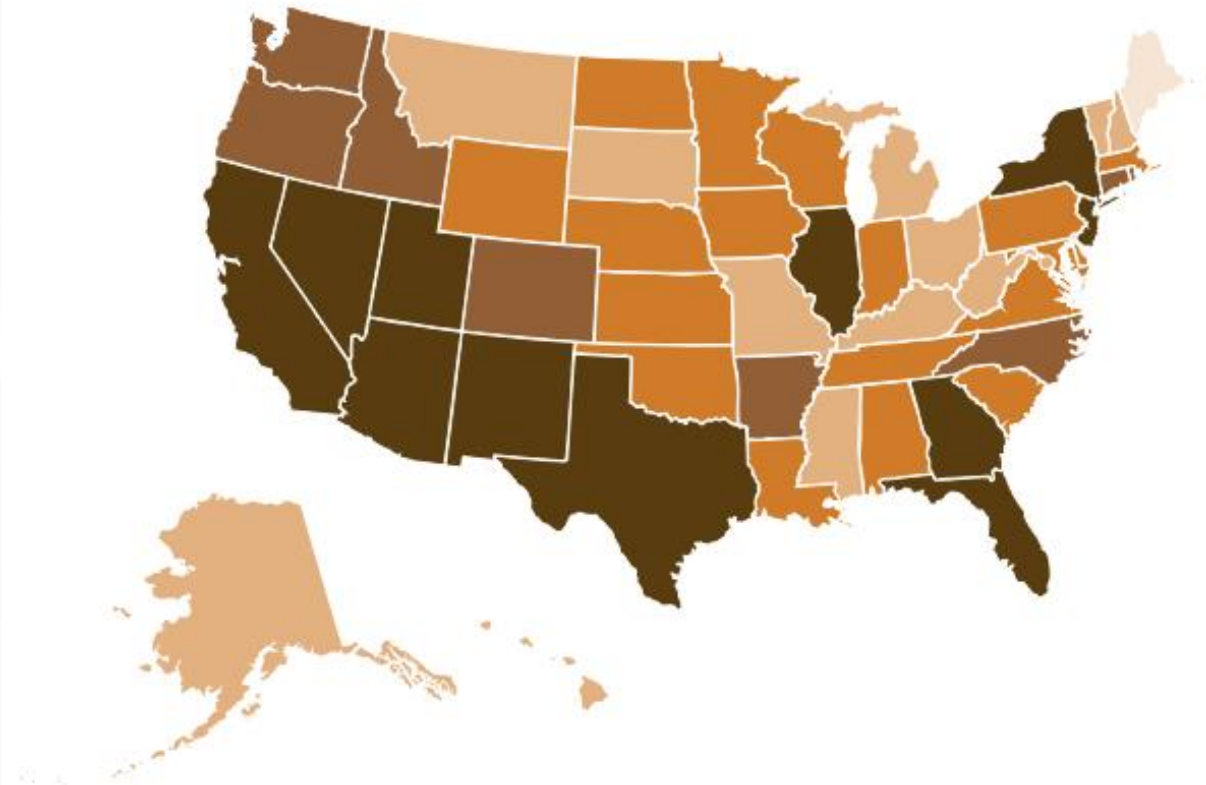2.01 to 2.50% — 2.51 to 3.00% — 3.01 to 3.50% — 3.51 to 4.00% — Above 4.01%

Figure 7: 10-Year GDP Losses under Enforcement Only Scenario*

-1.01 to -1.50% — -1.51 to -2.00% — -2.01 to -2.50% — -2.51 to -3.00% — Below -3.01%
*Relative to baseline case.
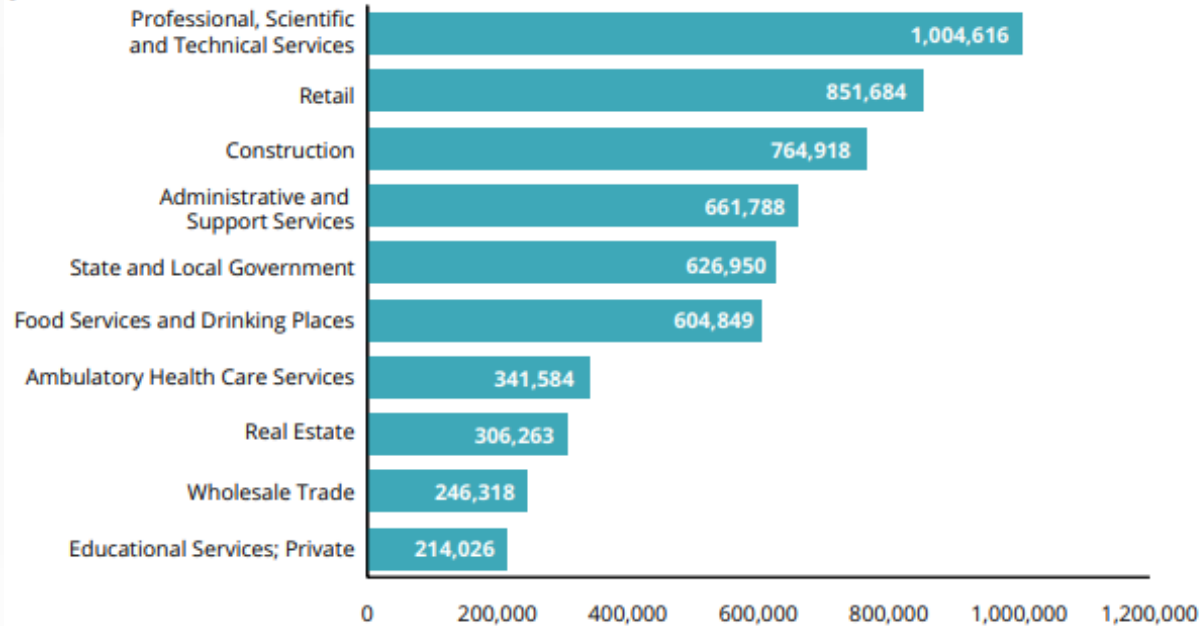
what does REMI say? sm

From "Economic Effects of Immigration Policies" published in the Business Roundtable, 2017

Immigration reform vs. enforcement

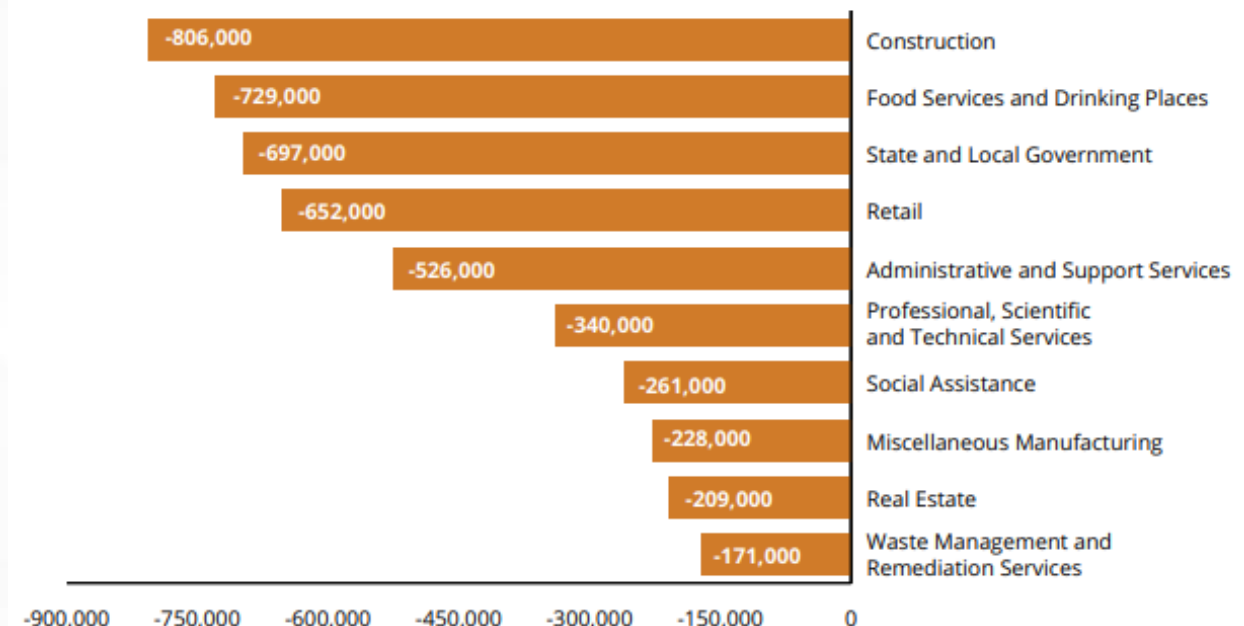**Figure 5: Industries with Largest 10-Year Employment Gains under Balanced Reform Scenario***

Jobs Gained

Industry	Jobs Gained
Professional, Scientific and Technical Services	1,004,616
Retail	851,684
Construction	764,918
Administrative and Support Services	661,788
State and Local Government	626,950
Food Services and Drinking Places	604,849
Ambulatory Health Care Services	341,584
Real Estate	306,263
Wholesale Trade	246,318
Educational Services; Private	214,026

*Relative to baseline case.

Figure 8: Industries with Largest 10-Year Employment Losses under Enforcement Only Scenario*

Jobs Lost

Industry	Jobs Lost
Construction	-806,000
Food Services and Drinking Places	-729,000
State and Local Government	-697,000
Retail	-652,000
Administrative and Support Services	-526,000
Professional, Scientific and Technical Services	-340,000
Social Assistance	-261,000
Miscellaneous Manufacturing	-228,000
Real Estate	-209,000
Waste Management and Remediation Services	-171,000

*Relative to baseline case.

*what does REMI say?*sm From "Economic Effects of Immigration Policies" published in the Business Roundtable, 2017

REMI Simulations for Discussion

Assumes 10-Year Outlook

S1: Reduction in International Migration
- Reduction of 500,000 people per year for four years

S2: Occupational Supply Adjustment – No direct change in total population
- Increase high-skilled labor
- Decrease low-skilled labor
- Reduce undocumented by 500,000 a year for four years and increase H-1B visas by same amount

Conclusion

- Immigration policy evaluation should consider both national and regional implications over time

- Scenarios should consider specific shifts in labor force availability and considerations for other factors

- Immigration reform can have significant short and long-term implications on:

    - Economic growth and inflation

    - State and local budgets

    - Long-term demographic shifts

- The REMI MRUS model provides the appropriate framework to evaluate the effects of immigration reform on national, state and local economies

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Q&A

Thank you for attending!

For more information, please contact info@remi.com.

Stay tuned for [upcoming webinars](#).